

## Angel Loan Fund

<b>Program Purpose:</b>	To support entrepreneurial growth throughout Minnesota by offering attractive funding for early-stage businesses.
<b>How it Works:</b>	The ALF is designed as a direct loan for 10% of the total amount of equity investment received in the business' approved funding round subsequent to ALF approval. Only one loan may be issued to each business for the duration of the ALF. At least one equity investment must be made by an investor that is both certified by the MN Angel Tax Credit Program and qualified as an Accredited Investor per the U.S. Securities and Exchange Commission under Rule 501 of Regulation D. However, the total equity investment attained for the round is <b>not</b> exclusive to investments made to meet the requirements of the Angel Tax Credit Program.
<b>Eligible Applicants:</b>	Businesses certified to participate in the Angel Tax Credit Program during any of the program years with fewer than 500 employees.
<b>Eligible Uses of Funds:</b>	Funds may be used for start-up costs, working capital, business acquisitions and expansions, franchise financing, equipment loans, inventory financing, construction, and commercial, non-passive real estate acquisitions.
<b>Maximum Available:</b>	10% of equity raised after program enrollment; \$20,000 minimum loan amount, \$250,000 maximum
<b>Interest Rate/Terms:</b>	0% interest, 7 year term, non-recourse, deferred, with a balloon. If the business is sold during the term, business will submit risk mitigation fee compensation equal to 30% of the original loan principal.
<b>Application Process:</b>	Businesses must apply for enrollment in the ALF and submit the ALF Business Enrollment Application along with required supporting documentation.
<b>Website:</b>	<a href="http://www.mn.gov/deed/ssbci">www.mn.gov/deed/ssbci</a>
<b>Contact:</b>	Lisa Dargis, Angel Loan Fund MN Department of Employment and Economic Development (DEED) Phone: 651-259-7446 or 800-657-3858 E-Mail: <a href="mailto:Lisa.Dargis@state.mn.us">Lisa.Dargis@state.mn.us</a>

### Business and Community Development Division

1st National Bank Building ■ 332 Minnesota Street, Suite E200 ■ Saint Paul, MN 55101-2146 USA

[www.positivelyminnesota.com](http://www.positivelyminnesota.com)

Toll Free: 800-657-3858 ■ Phone: 651-259-7424 ■ Fax: 651-296-5287 ■ TTY: 651-296-3900

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